

**MINUTES**  
**KITTY HAWK TOWN COUNCIL**  
**Monday, October 3, 2016**  
**Kitty Hawk Town Hall, 6 PM**

Agenda

1. Call to Order
2. Moment of Silence/Pledge of Allegiance
3. Approval of Agenda
4. Presentation:
  - N.C. Lions Visually Impaired Fishing Tournament: Oct. 17-19 (Fishing on the 18<sup>th</sup>)
5. Public Comment
6. Consent Agenda
  - a.) Approval of September 6, 2016 Council Minutes
  - b.) Quarterly Financial Statement and Beach Nourishment Capital Project as of June 30, 2016
  - c.) FY 16-17 Budget Amendment #2
  - d.) Personnel Policy Update Adding Veteran's Preference Language
  - e.) Police Department Vehicle Purchase
  - f.) Resolution Opposing the Rate Increase Requested by Dominion North Carolina Power
7. Items Removed from Consent Agenda
8. New Business
  - a.) Personnel Policy Update - Addition of language: Employees hired after October 3, 2016, and retire early or under disability retirement, will not be eligible for retiree health insurance reimbursement.
9. Reports/General Comments from Town Manager
10. Reports/General Comments from Town Attorney
11. Reports/General Comments from Town Council
12. Public Comment
13. Closed Session: N.C.G.S. 143-318.11(a)(3)
14. Return to Regular Session
15. Adjourn

**COUNCILMEMBERS PRESENT:**

Mayor Gary Perry, Mayor Pro Tem Craig Garriss, Councilman Ervin Bateman, Councilwoman Lynne McClean and Councilman Jeff Pruitt

**STAFF MEMBERS PRESENT:**

Town Manager Andy Stewart, Town Clerk Lynn Morris, Town Attorney Casey Varnell, Finance Officer Liliana Noble, Management Assistant Melody Clopton, Town Planner Rob Testerman, Police Chief Joel Johnson, Fire Chief Lowell Spivey and Public Works Director Willie Midgett

**ALSO PRESENT:**

Attorney Ben Gallop present for the closed session.

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**1. CALL TO ORDER**

Mayor Perry called this meeting to order at 6 p.m.

**2. MOMENT OF SILENCE/PLEDGE OF ALLEGIANCE**

Following a moment of silence the Pledge of Allegiance was recited.

**3. APPROVAL OF AGENDA**

**Councilman Bateman made a motion, seconded by MPT Garriss, to approve the agenda. It passed unanimously, 5-0.**

**4. PRESENTATION**

- **N.C. Lions Visually Impaired Fishing Tournament: Oct. 17-19 (Fishing on the 18<sup>th</sup>)**

No one was able to attend and give this presentation.

**5. PUBLIC COMMENT**

There were no public comments.

**6. CONSENT AGENDA**

**a.) Approval of September 6, 2016 Council Minutes.** *(An approval of the consent agenda will approve these minutes.)*

**b.) Quarterly Financial Statement and Beach Nourishment Capital Project as of June 30, 2016.** *(An approval of the consent agenda will acknowledge these reports.)*

**c.) FY 16-17 Budget Amendment #2.** This amendment, in the amount of \$5,136.00, is for fund balance appropriations and will carry over funds from last fiscal year into this fiscal year for open purchase orders. *(An approval of the consent agenda will approve this budget amendment.)*

**d.) Personnel Policy Update Adding Veteran's Preference Language.** The addition recognizes the contribution of our veterans and gives credit for military service training, schooling and experience to them and their qualified dependents when seeking employment with the town. *(An approval of the consent agenda will approve this policy update.)*

**e.) Police Department Vehicle Purchase.** The police chief is requesting to purchase and outfit a 2016 Dodge Charger to replace a 2010 Charger with 96,377 miles. The vehicle does not meet the vehicle replacement policy of 10 years or 100,000 miles but the policy allows a waiver in situations of excessive maintenance problems. The repairs of the vehicle is estimated at \$3,300.00. The amount of \$32,000.00 is in the FY 16-17 budget to purchase a vehicle. *(An approval of the consent agenda will approve this vehicle purchase.)*

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f.) **Resolution Opposing the Rate Increase Requested by Dominion North Carolina Power.** *(An approval of the consent agenda will approve this resolution.)*

**MPT Garriss made a motion to approve the consent agenda. It was seconded by Councilwoman McClean and passed unanimously, 5-0.**

**7. ITEMS REMOVED FROM CONSENT AGENDA**

No items were removed from the consent agenda.

**8. NEW BUSINESS**

**a.) Personnel Policy Update - Addition of language: Employees hired after October 3, 2016 and retire early or under disability retirement will not be eligible for retiree health insurance reimbursement.**

**Stewart:** *What you have before you is a recommended change by the town manager to Article 5 of the personnel policy handbook having to do with retiree benefits. First off, before I get started, the policy that is being recommended will not affect any existing employees. It will affect any new hires if you decide to adopt this policy this evening. Moving forward it would affect those that were to be hired by the town after October 3<sup>rd</sup> of 2016.*

*The existing policy talks about retiree health insurance through the town's insurance plan for the time period between retirement, as defined here, as the date qualified retirees are eligible for Medicare health benefits. Retiree health benefits are available and the town may provide coverage for the qualified retiree under that plan. The reimbursement for all benefits under this Section III, whether under the town's plan or another plan that's set out here, is a percentage of the actual amount currently paid by the town for or towards the cost of providing coverage to a full time employee and as such is subject to change as set out in Section II above.*

*If you meet years of service requirement with the town and you are considered retired under the town's pension plan ... there's a schedule that you see that the town will reimburse that retiree until they reach Medicare age. If you recall, I believe it was the majority of this council that changed the plan that at age 65, once the Medicare coverage kicks in for retirees, the town no longer pays the Medicare health insurance for the employee. Medicare takes over so there's really no need for the town to pay anything at age 65. The council did tighten that up. I believe it was approximately a year ago, maybe a little longer. As we were looking at this there were some other scenarios that came up that I do not think really met the intent of the retiree health insurance benefit.*

*Back to the schedule. No change in the policy would affect this schedule that was previously adopted. If any employee has 10 years of service with the town, but less than 15, they would get a 50% reimbursement. If they have 15 years of service with the town, but less than 20, they would receive 75% reimbursement up until age 65. If they had 20 years or greater they would receive*

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*100% reimbursement if they were retired under the Local Governmental Employees' Retirement System.*

*The definition of retirement for the policy is if you retire with service retirement which is basically you retire with full retirement benefits under the pension, I call it a pension plan, you would receive 100% of your retirement. You can retire early which is a lower age and that would be early retirement. That would be the decision of the employee. Or you could retire with a disability. If you met those years of service requirements in that previous slide you would qualify for the reimbursement of the health insurance as a retiree.*

*The addition that is being proposed to be added to the policy is for employees hired after October 3<sup>rd</sup>. Retiree health insurance reimbursement will only be applied to qualified retirees with unreduced retirement benefits. Those employees who retire early, or under disability retirement, will not be eligible for retiree health insurance reimbursement. So the decision to retire early is a decision of the employee and the disability you will see, and I'll kind of explain that a little better, can take place at any time during an employee's tenure. An employee can become disabled at age 30, have 10 years of service with the town, and if they started at age 20, get into an accident, off the job, a surfing accident or what have you, and qualify for disability retirement and according to our existing policy would be eligible for 50% reimbursement until age 65. It would be about a 35 year period hypothetically. This doesn't ... this isn't something that happens all the time but it is sort of a gray area that I think we probably should make a decision on. For 35 years the town would be paying 50% of that employee's health benefit as a result of a disability or off the job injury.*

*What we are looking to do is draw the line and say if you retire with full retirement from the Town of Kitty Hawk you are eligible to receive reimbursement for health insurance benefits. If you decide to retire early then you would not be eligible for the health insurance benefit. You go out on disability ... a lot of times if you are disabled you would go on social security disability but with the pension plan it does not require you to be 100% disabled. You can become disabled and not be able to perform your duties but it does not prohibit you from going to find employment elsewhere. So we are looking to eliminate, as I said, the early retirement clause and the disability clause and you have to retire from the town with full retirement to receive any health benefit reimbursement.*

*The policy also does not change the years of service needed to be eligible for reimbursement. So if you work 20 years with the Town of Kitty Hawk, and you are able to retire, have a full retirement, you would be able to receive a 100% reimbursement of your health care until you are age 65. The policy limits the exposure of long term retiree benefits associated with early and disability retirement as defined by the Local Governmental Employees' Retirement System. It really looks to reduce exposure. It ties the existing policy specifically to full retirement as defined by the Local Governmental Employees' Retirement System. The one thing that is important to note is retirement is 100% completely separate from what the town offers. The health insurance benefit is the decision of the town for retirees and full time employees. The retirement, yes, the town contributes*

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*to the employees retirement, but that is sort of dictated by the Local Governmental Employees' Retirement System and they have a board ... so what we are looking to do is still recognize the years of service and also recognize the fact that if you work with the town until full retirement, that the benefit, the light at the end of the rainbow, will be health insurance.*

*There are a lot of different scenarios that we can go by but it really is the idea that it is just to limit the liability. For a general employee 60 years is full retirement, for a police officer 55 years is full retirement, so there would be a period of 5 years that the town would, or 30 years ... if you work 30 years under the general employee's pension plan you are eligible for full retirement regardless of age so you can start at 20 and be 50 years old. The town would pay for your benefits from 50 to 65. The overall goal is to reduce the liability for the Town of Kitty Hawk.*

*I'll stand for any questions, any specifics, you may want to know. I'd be more than happy to explain a little further if you like.*

**Perry:** *I think you've done an excellent job and I appreciate the fact that a new set of eyes saw a hole that I do not think any of us ever realized existed. I can assure you, having been here long enough to make some of these changes, we did not think about the scenario you just described of 30, 40 years of paying for health insurance. It was a full retirement kind of a thing. So to my mind you have done an excellent job and I appreciate the fact that you brought it to our attention. Does anyone else have a question? (There were no further questions or comments.)*

**MPT Garriss made a motion to approve the change to the Town of Kitty Hawk's Personnel Policy manual as presented. Councilman Bateman provided a second and it passed unanimously, 5-0.**

**Perry:** *Thank you Andy. And Melody. I know you were involved with that too.*

### **9. REPORTS/GENERAL COMMENTS FROM TOWN MANAGER**

Manager Stewart provided the following information:

**Debris Pickup:** As noted in the emails last week to council public works has been busy picking up debris. It is almost 100% complete. There was quite a bit of debris in the wooded areas around town.

**Fire Department Open House:** October 12<sup>th</sup> is the open house from 4 p.m. to 7 p.m. Everyone is invited to attend.

**Flu Shots:** The Outer Banks Hospital will be giving free flu shots to anyone 18 years of age and older at the Town Hall on October 13th from 2 p.m. to 5:30 p.m.

**Hurricane Matthew:** Staff has begun preparations.

#### **10. REPORTS/GENERAL COMMENTS FROM TOWN ATTORNEY**

There were no comments from Attorney Varnell.

#### **11. REPORTS/GENERAL COMMENTS FROM TOWN COUNCIL**

**ARPO Meeting Update:** Councilwoman McClean reported the committee met on Wednesday of last week and assigned points to projects. A complete list of scoring will not be available until the end of the week but none of the highway projects were in Dare County. Dare County received points for the only non-highway project and that is the multi-use path from Wal-Mart to the Kill Devil Hills town line. If it does not happen this year it may happen next year.

Mayor Perry asked how the town got on the list and Councilwoman McClean replied Dare County decided to give all its points to the town's project. Mayor Perry advised for planning purposes it is a shared project and is not 100% funded. If it comes to fruition staff should look for other grants.

Councilwoman McClean added they officially deferred the project, in other words took it off the list, to restructure the intersection of 158 and 12 by the Visitors Center and Regional Medical. The flyover is officially gone. They are going to wait until the traffic pattern stabilizes after completion of the Mid-Currituck Bridge.

Mayor Perry offered the flyover would never have worked anyway because it still put four lanes of traffic into a two lane road.

**National Walk to School Day:** Councilwoman McClean announced Wednesday is National Walk to School Day and Kitty Hawk Elementary School encourages walking, biking or skating to school.

**Hurricane Matthew:** Mayor Perry remarked that if this storm hits, Kitty Hawk is very vulnerable. Not only on the ocean side but sound side as well. Staff needs to be prepared for both sides of the town to be hit. Have boats and high wheeled vehicles ready to go.

#### **12. PUBLIC COMMENT**

No one came forward to comment.

#### **13. CLOSED SESSION**

**Mayor Perry made a motion to go into closed session to consult with the town attorney under N.C.G.S. 143-318.11(a)(3) to protect the attorney-client privilege and to consider and give instructions concerning a potential or actual claim, administrative procedure or judicial action concerning beach nourishment easements. Councilwoman McClean seconded the motion and it passed unanimously, 5-0. Time was 6:18 p.m.**

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**14. RETURN TO REGULAR SESSION**

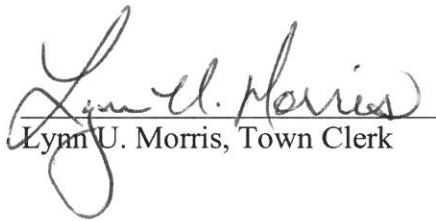
**Mayor Perry made a motion, seconded by Councilwoman McClean, to return to regular session. It passed unanimously, 5-0. Time was 6:45 p.m.**

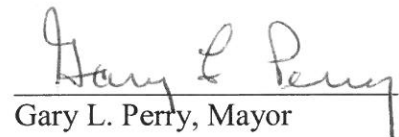
Attorney Varnell announced council discussed the filing of condemnation actions and which land owners are left. There are five land owners who have not provided an easement and action will commence towards the end of October.

**15. ADJOURN**

**Councilwoman McClean made a motion to adjourn the meeting. Councilman Pruitt seconded and it passed unanimously, 5-0. Time was 6:47 p.m.**

These minutes were approved at the November 7, 2016 council meeting.

  
Lynn U. Morris, Town Clerk

  
Gary L. Perry, Mayor